

DPD-6656-60  
31 August 1960

MEMORANDUM FOR THE RECORD

SUBJECT: Concurrence in Final Settlement of Contract No. HF-1230  
with The Firewel Company, Inc., Project CHALICE and the

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1. This memorandum contains a recommendation submitted for approval of the Deputy Director (Plans). Such recommendation is contained in Paragraph 7.

2. Contract No. HF-1230 and Amendments Nos. 1 through 10 thereto provide for the development and production of personal equipment for pilots engaged in the CHALICE and the [REDACTED] for a target contract price of [REDACTED]. Schedules 1 and 2 of the contract comprise the major items of equipment and are subject to price redetermination. Schedules 3, 4, 5, 6 and 7 of the contract comprise miscellaneous items and are on a fixed price basis. The target contract prices for Schedules 1 and 2 are [REDACTED] and [REDACTED] respectively. The ceiling contract prices for Schedules 1 and 2 are [REDACTED] respectively. The total fixed price for Schedules 3, 4, 5, 6 and 7 is [REDACTED].

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3. Final negotiations with The Firewel Company, Inc. to redetermine the contract prices for Schedules 1 and 2 and to revise Schedules 3 through 7 to reflect adjustments for under-shipments, over-shipments and shipping charges have been completed. The final redetermined contract prices for Schedules 1 and 2 were fixed at [REDACTED]. The total contract price for Schedules 3 through 7 was adjusted to [REDACTED]. Summaries of these negotiations are attached as Exhibits A and B.

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4. Amendment No. 11 to Contract No. HF-1230, submitted herewith, has been drawn to incorporate the foregoing agreements into the contract.

5. In view of the contract conditions providing that final settlement shall be contingent upon delivery and acceptance of work and services required and satisfactory disposition of all Government-furnished property, the Supply Depot and the [REDACTED] jointly compiled a verification

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DOCUMENT NO. 32  
NO CHANGE IN CLASS. ☒  
☐ DECLASSIFIED  
CLASS. CHANGED TO: TS S C 2012  
NEXT REVIEW DATE: 2012  
AUTH: HR 76  
DATE: 04/01/00 REVIEWER: 010956

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of work completed under the contract. Out of a total of some 470 line items amounting to [REDACTED] the Supply Depot and [REDACTED] accounted for completed items amounting to [REDACTED] or a shortage of \$10,813.47. Negotiations with the Contractor regarding non-delivery and shortages of contract items have further reduced the amount of shortages under the contract to \$5,793.24. Since controls necessary for documenting receipt and acceptance of contract items had not been developed during the early phases of Project CHALICE (AQUATONE) to a degree sufficient to keep abreast of and record deliveries of contract items and since the Supply Depot states in its verification of deliveries that "The above discrepancies do not imply that the Contractor has not fulfilled contract requirements, however, proper documentation is not available at Depot to justify the verification of these items," it is recommended that all items of work and services required under Contract No. HF-1230, as amended, be considered as completed by the Contractor and accepted by the Government. Further, based on the evidence available, the Contracting Officer is satisfied that deliveries under the contract were completed and that any further effort in developing details would only add unjustified additional administrative cost to the Project. All Government-furnished property has been accounted for under the contract.

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6. Under Contract No. HF-1230 and Amendments Nos. 1 through 10 thereto, a total of [REDACTED] has been obligated. Since the final contract price is [REDACTED] the difference of [REDACTED] is to be credited to [REDACTED]. By concurrence to this memorandum the Comptroller signifies that this adjustment in funds has been noted.

7. Approval of the final settlement of Contract No. HF-1230 as set forth herein is recommended.

SIGNED

CONCURRENCES:

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SIGNED

[REDACTED]  
Contracting Officer, DPD

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[REDACTED]  
Deputy Chief, Dev. Br., DPD

DATE

6 September 1960

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[REDACTED]  
Chief, Materiel Branch, DPD

DATE

7 September 1960

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[REDACTED]  
Comptroller, DPD

DATE

9/9/60

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CONCURRENCES: (Continued)

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 \_\_\_\_\_  
Office of General Counsel

DATE

*Sept 17, 1960*

SIGNED

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 \_\_\_\_\_  
Colonel, USAF  
Acting Chief, DPD-DD/P

DATE

*12 September 1960*

Approval requested in Para-  
graph 7. granted:

SIGNED

 \_\_\_\_\_  
RICHARD M. BISSELL, JR  
Deputy Director (Plans)

DATE

*14 Sept 1960*

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DDP-DPD-CB:  :lmw (31-8-60)

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